





Combating Identity Theft and Internet Fraud



Internet shopping is revolutionizing the way that consumers around the world buy goods and services. Electronic transactions have exploded in the past few years. During the 1999 holiday season, approximately 1.3 billion people visited online shopping sites, and Americans spent more than \$10 billion online for holiday gifts.

But there is an insidious side to the convenience and freedom of Internet commerce -- identity theft and Internet fraud are also dramatically on the rise. According to nationwide credit industry estimates, identity fraud complaints and calls have grown from fewer than 40,000 in 1992 to about 750,000 in 1999 -- a 1,875% leap. In one California county alone, identity theft cases increased from 2,250 in 1998 to 3,850 in 1999 -- a 71% increase.

Here are some suggestions for protecting your credit identity, thwarting Internet fraud and making it more difficult to "crack your code:"

-  Change your passwords frequently, and memorize them. The National Crime Prevention Council suggests that you mix numbers with upper and lowercase letters, or use a word not found in a dictionary.
-  When shopping online, check the lock or key icon on the screen to make sure the site is secure. A broken icon indicates that the site is not secure.
-  Save all receipts, and compare them with your monthly statements. Report all discrepancies immediately. Pay attention to your billing cycles, and follow up with creditors if bills do not arrive on time. That could be a sign that someone has changed the address or other information in your file to hide illegal charges.
-  If possible, keep one credit card solely for Internet shopping. That way, if the number is stolen online, you'd only need to cancel that card.

Here are some strategies for protecting your privacy:

-  Don't disclose personal identification information online until you find out what the company's privacy policy is and what it does with the information it collects.
-  Explore ways you can "opt out" of mailing lists to reduce junk mail. The Direct Marketing Association (MPA, P.O. Box 9008, Farmingdale, NY 11735-9008) can add your name and address to the list of people who do not want to receive mail from major catalog and marketing companies. Avoid entering sweepstakes and other contests to stay off mailing and telemarketing lists.

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- ☎ It's a good idea to periodically check out your credit report with the three major credit bureaus (see below). It's also a good idea to find out if information about your medical history is stored in the Medical Information Bureau.

If you discover that you've been the victim of identity theft, the Federal Trade Commission recommends that you take the following actions immediately:

- ✱ Contact the fraud departments of each of the three major credit bureaus:
1) Equifax (800) 525-6285; 2) Experian (888) 397-3742; and 3) Trans Union (800) 680-7289.
Tell them to flag your file with a "fraud alert," and include a statement that creditors should call you if they receive requests for new accounts.
- ✱ Contact your creditors' security or fraud department and inquire about any accounts that have been tampered with or opened fraudulently. Follow up the phone call with a letter detailing your concerns.
- ✱ File a police report, and keep a copy in case your creditors need proof of the crime.